

## **Remarks/Arguments**

Reconsideration of this Application is requested.

Claims 36-41,43,45-48 and 50-61 have been rejected by the Examiner under 35 U.S.C. 103(a) as being unpatentable over the Esalestax.com disclosure written about by Ms. Anne Kerven of Silicon Mountain News (hereafter "Esalestax.com") in view of State of North Carolina Request for Proposals, RFP # 001185 (hereafter "RFP # 001185").

The following appears on pages 3 and 4 of the Esalastax.com document.

Even as Internet taxation factions duke it out in Congress, an Englewood company is readying for the seeming inevitable. As a "trusted third party," said Business Development VP Shawn Fahey, Esalestax.com helps calculate state and local taxes on Internet purchases, taking the burden off the merchant. By Christmas 2000, the site will let merchants download software that automatically calculates sales and use taxes. Esalestax.com then collects the taxes and transfers them to the appropriate government agency accounts. The service is free to merchants. Esalestax.com's staff is undaunted by dealing with so many different tax agencies: All four founders formerly created fund-transfer systems for Fortune 100 companies, Fahey said."

Esalestax.com helps calculate state and local taxes on internet purchases, collects the taxes and transfers them to the government

The following appears on page 15 of RFP #001185.

"Privacy - A proposal must include procedures to protect the privacy of consumers and retailers in accordance with the following:

- The Contractor is bound by the law of North Carolina prohibiting the disclosure of tax information.
- The Contractor must limit the collection, storage, processing, and dissemination of personal data to that which is relevant and necessary to the successful operation of the Pilot. Personal data is data that identifies a purchaser, such as name and address.

- The Contractor may not data-mine or sell any personal data gathered under the Pilot and, except as required by the State to administer sales and use tax, may not transfer any personal data gathered under the Pilot to any other person.
- The Contractor must provide reasonable safeguards against the risk of unauthorized access, processing, or dissemination of personal data.
- The Contractor must provide a privacy notice for any on-line collection and must have a procedure whereby individuals can obtain and correct personal data about them that is maintained by the Contractor,"

RFP #001185 discloses that the contractor must provide reasonable safeguards against the risk of unauthorized access, processing, or dissemination of personal data.

The Examiner stated the following in page 2 of the June 6, 2007, Patent Office Action. "Esalestax.com does not specifically disclose keeping the identity of the seller a secret. However, it is noted that the keeping of the identity a secret is but a temporary issue as the identity may be eventually revealed under certain circumstances. e.g. fraud committed upon the United States Government."

Esalestax.com and RFP #001185 do not disclose or anticipate step e of claim 36. Namely, e) accessing seller information for a taxing jurisdiction segmented by the agent for that jurisdiction with a unique identifier wherein the identity of the seller remains secret.

Governments may restrict access to government data by the public. However, governmental bodies know the identity of people with whom they are dealing. An applicant cannot file a patent application without disclosing the identity of the inventor. A person's social security number must be placed on a Federal Income Tax Return. Governments also issue birth certificates, death certificates, passports, military discharge papers, fishing licenses, hunting permits and marriage licenses to positively identify individuals from the cradle to the grave. It is the government that protects an individual's privacy rights. For instance, the government will not disclose a taxpayer's Income Tax Return to the public. It is known in taxing situations that the purchaser of goods may not be revealed to the taxing jurisdiction. However, the seller of the goods is always known to the taxing jurisdiction since they are the one who filed the Tax Return.

A unique and unobvious aspect of Appellants' claimed invention is that an agent does not reveal to the taxing jurisdiction the identity of the seller. The foregoing will make it easier for taxing jurisdiction to collect taxes on the sale and/or use of goods that are made on remote sales, i.e., taking place over the internet or from catalogs.

The act of keeping the claimed seller, i.e., payee anonymous to the taxing jurisdiction is new and non-obvious. Applicants are unaware of any situation in which a taxing authority collects seller's sales and/or use taxes on remote sales that are segmented by an agent for that jurisdiction with a unique identifier wherein the identity, of the seller remains secret.

In view of the above, claims 36-41, 43, 44, 47, 48, and 50-61 are patentable. If the Examiner has any questions, would he please contact the undersigned at the telephone number noted below.

Please charge any additional fees that may be required or credit any overpayment to Deposit Account Number 16-1885.

Respectfully submitted,

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